FNBB,Inc.
FIRST NATIONAL BANKERS BANKSHARES, INC.

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November 25, 2009

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: Docket No. OP–1369
RE: Proposed Interagency Guidance – Correspondent Concentration Risks

This letter is in response to the request for comment on the Proposed Interagency Guidance – Correspondent Concentration Risk.

First National Bankers Bankshares, Inc. and its subsidiary banks, which include Arkansas Bankers' Bank in Little Rock, Arkansas, First National Bankers Bank in Baton Rouge, Louisiana, First National Bankers Bank, Alabama in Birmingham, Alabama, and Mississippi National Banker's Bank in Ridgeland, Mississippi, are fully committed to ensuring that our respective practices for identifying, monitoring, and managing correspondent concentration risk with financial institutions are appropriate. We believe that additional guidance from the federal regulatory agencies in this area is timely given the uncertain economic environment all financial institutions are experiencing. That being said, the proposed guidance, while well intentioned, appears to be potentially much more specific and restrictive than Regulation F which provides flexibility to financial institutions in establishing and maintaining risk management programs for their correspondent banking relationships.

Since the date of its original submission, FNBB, Inc. and its subsidiary banks have obtained confirmation that many of its members' respondent community banks view the present wording of the proposed guidance as supplying grounds for field examiners to criticize a respondent's credit exposure near, at, or above 25% of its Tier 1 capital to any correspondent, no matter how well the correspondent is capitalized. Therefore, if the proposed guidance will contain any specific internal thresholds or benchmarks for correspondent credit exposure other than what is stated in Regulation F, we would suggest the concentration threshold be more appropriately set at 50% of a respondent bank's Tier 1 capital when the correspondent is Well Capitalized. Such a modification would appear to be in line with the perceived intent of Reg F in establishing heightened risk management protocols for interbank liabilities based on the capitalization and financial condition of the correspondent.

We appreciate the opportunity to respond to the Proposed Interagency Guidance for Correspondent Concentration Risk and thank you for your consideration of our comments.

Sincerely,

Joseph F. Quinlan, Jr.
Chairman, President, and Chief Executive Officer